

**Grimsby Power Incorporated**  
**2011 EDR 2<sup>nd</sup> Generation IRM**  
**EB-2010-0129**

**Board Staff Interrogatories**

**1. Ref: Smart Meter Model**

In its application, Grimsby Power has proposed an increase in its Smart Meter Funding Adder from \$1.00 to \$3.66 per month per metered customer. It has filed a completed Smart Meter Model with the data and calculations to support its proposal.

Board staff has analysed the smart meter model, and has prepared a revised model with the following adjustments or corrections. All adjustments are shown in yellow highlight.

- On “Sheet 3. LDC Assumptions and Data”, the short-term debt capitalization has been adjusted to 0% in all years. Grimsby Power has not rebased its distribution rates since 2006 EDR, and so the 4% short-term debt capitalization has not yet been factored into its cost of capital. The ROE beyond 2011 has been set to 9.00% to reflect the allowed ROE approved for Grimsby Power in its last rebasing in 2006 EDR. This will not be updated until Grimsby Power’s electricity rates are rebased through a Cost of Service application.
- On “Sheet 4: Smart Meter Rev Reqt”, various formulae have been updated. Board staff has observed that the Smart Meter Model does not take into account the short-term debt capitalization. While these changes are made for completeness and correctness of the model, these corrections have no impact as Grimsby Power has a 0% short-term debt capitalization until it next rebases.
- On “Sheet 5: PILs”, cell references for 2011 forecasted net income and amortization have been corrected. In the original model filed, cells referenced the incorrect data.
- On “Sheet 6: Avg Nt Fix Ass &UCC”, various cell references for capital investments, by asset class are corrected. In the original model filed, for 2008, 2009, 2010, and 2011 the cells reference the subsequent year from Sheet 3. The model filed by Grimsby Power shows net fixed assets in 2008 while Grimsby Power only has capital investments beginning in 2009. The cell references have been corrected to reflect investments in each year.
- On “Sheet 7: Funding Adder Collected”, Grimsby Power did not provide estimated Smart Meter Funding Adder Revenues collected or to be collected from October 2010 to April 2011 with the current approved Smart Meter Funding Adder of \$1.00. Ignoring these revenues results in an increased residual revenue requirement and hence an increased smart

meter funding adder. Board staff has assumed monthly smart meter funding revenue of \$10,050, the same as Grimsby Power documented for September 2010.

With these corrections, Board staff estimate a revised Smart Meter Funding Adder of \$1.99 per month per metered customer. The revised Smart Meter Model is attached.

- a) Please indicate if Grimsby Power accepts the corrections and adjustments proposed by Board staff in this model.
- b) If Grimsby Power believes that other adjustments or corrections are necessary and appropriate, please provide a revised model. Please identify and support any proposed changes and identify the resulting proposed Smart Meter Funding Adder.
- c) If Grimsby Power believes that its original Smart Meter Funding Model and the originally proposed Smart Meter Funding Adder of \$3.66 per month per metered customer are appropriate, please provide detailed explanations of why it believes this to be the case. In the explanation, please explain why Grimsby Power feels that an increase of the magnitude proposed (an increase of \$2.66) is reasonable in light of expected impacts on ratepayers' bills.

## 2. Ref: Rate Generator – 4.1 Curr Rates & Chgs General

### Rate Class

#### Residential

Rate Description	Metric	Rate
Service Charge	\$	15.26
Service Charge Smart Meters	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0086
Low Voltage Volumetric Rate	\$/kWh	0.0007
Distribution Volumetric Deferral Variance Account Disposition (2010) – effective until April-30-11	\$/kWh	(0.00933)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0051
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### Rate Class

#### General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	25.82
Service Charge Smart Meters	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0100
Low Voltage Volumetric Rate	\$/kWh	0.0006
Distribution Volumetric Deferral Variance Account Disposition (2010) – effective until April-30-11	\$/kWh	(0.00964)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

- a) Please explain why the service charge rate, retail transmission rate – network service rate and retail transmission rate – line and transformation connection service rate for all rate classes in the rate generator are not identical to the Board's decision and order in Grimsby's 2010 IRM application (EB-2009-0198).
- b) If Grimsby is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct rates.

**3. Ref: RTSR – B1.1 Rate Class and RTSR Rates**

**Rate Class And 2010 RTSR Rates**

Enter Rate Group and Rate Class in the same order as listed on your current Tariff sheet and Rate Generator.

Enter the RTSR-Network and RTSR-Connection rates as approved on your current Tariff sheet.

Rate Group	Rate Class	Vol Metric	RTSR - Network	RTSR - Connection
RES	Residential	kWh	0.0057	0.0051
GSLT50	General Service Less Than 50 kW	kWh	0.0052	0.0046
GSGT50	General Service 50 to 499 kW	kW	2.1018	1.8230
GSGT50	General Service 50 to 999 kW - Interval Metered	kW	2.1287	1.9215
USL	Unmetered Scattered Load	kWh	0.0052	0.0046
SL	Street Lighting	kW	1.5851	1.4092
NA	Rate Class 7	NA		

- a) Please explain why the RTSR – Network and RTSR – Connection for all rate classes in the RTSR model are not identical to the Board's decision and order in Grimsby's 2010 IRM application (EB-2009-0198).
- b) If Grimsby is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct rates.

**4. Ref: RTSR – B1.2 Dist Billing Determinants**

**2009 Distributor Billing Determinants**

Enter the most recently reported RRR billing determinants

Loss Adjusted Metered kWh **Yes**  
 Loss Adjusted Metered kW **No**

Rate Class	Vol Metric	Metered kWh A	Metered kW B	Applicable Loss Factor C	Load Factor D = A / (B * 730)	Loss Adjusted Billed kWh E = A * C
Residential	kWh	91,178,360	0	1.0502		95,755,514
General Service Less Than 50 kW	kWh	19,264,338	0	1.0502		20,231,408
General Service 50 to 499 kW	kW	20,851,320	55,275	1.0502	51.70%	21,898,056
General Service 50 to 999 kW - Interval Metered	kW	46,248,120	116,782	1.0502	54.28%	48,569,776
Unmetered Scattered Load	kWh	395,386		1.0502		415,235
Street Lighting	kW	1,638,408	4,322	1.0502	51.96%	1,720,656
<b>Total</b>		<b>179,575,932</b>	<b>176,379</b>			<b>188,590,644</b>

- a) Please explain why metered kWh and KW in columns A and B are not identical with what is reported in the RRR 2.1.5 customer, demand and revenue section.
- b) If Grimsby is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct kWh's and kW's and staff will make the necessary adjustments to the RTSR model. If the RRR 2.1.5 kWh's and kW's are already loss adjusted please change column C to 1.0000.

**5. Ref: Deferral and Variance Model – B1.3 Rate Class and Bill Det**

2009 Audited RRR						
Rate Group	Rate Class	Fixed Metric	Vol Metric	Metered kWh	Metered kW	Billed kWh for Non-RPP customers
RES	Residential	Customer	kWh	91,178,360		13,328,038
GSLT50	General Service Less Than 50 kW	Customer	kWh	19,264,338		3,669,765
GSGT50	General Service 50 to 499 kW	Customer	kW	67,099,441	159,057	62,893,554
USL	Unmetered Scattered Load	Connection	kWh	395,386		3,717
SL	Street Lighting	Connection	kW	1,638,408	4,322	1,638,408
NA	Rate Class 6	NA	NA			
NA	Rate Class 7	NA	NA			

- a) Please explain why metered kWh and KW are not identical with what is reported in the RRR 2.1.5 customer, demand and revenue section.
- b) If Grimsby is of the view that the data included in the application is more appropriate to use, please explain why. If not, please re-file the referenced sheet with the correct kWh's and kW's and staff will make the necessary adjustments to the deferral and variance model.

## 6. Ref: Deferral and Variance Model – G1.1 Calculation Rate Rider

### Calculation of Deferral Variance Recovery Rate Rider including Global Adjustment

Rate Rider Recovery Period - Years **One**

Rate Rider Effective To Date

April-30-12

Rate Class	Vol Metric	Billed kWh A	Billed kW B	Accounts Allocated by kWh C	Accounts Allocated by Non-RPP kWh D	Account 1590 E	Account 1595 F	Total G = C + D + E + F	Rate Rider kWh H = G / A (kWh) or H = G / B (kW)
Residential	kWh	91,178,360	0	(410,273)	159,537	0	0	(250,736)	(0.00275)
General Service Less Than 50 kW	kWh	19,264,338	0	(86,683)	43,927	0	0	(42,756)	(0.00222)
General Service 50 to 499 kW	kWh	67,099,441	159,057	(301,926)	752,839	0	0	450,913	2.83491
Unmetered Scattered Load	kWh	395,386	0	(1,779)	44	0	0	(1,735)	(0.00439)
Street Lighting	kWh	1,638,408	4,322	(7,372)	19,612	0	0	12,240	2.83191
		<b>179,575,933</b>	<b>163,379</b>	<b>(808,034)</b>	<b>975,959</b>	<b>0</b>	<b>0</b>	<b>167,925</b>	
						158		158	

Enter the above value onto Sheet  
 "J2.2 Def Var Disp 2011"  
 of the 2011 OEB IRM Rate Generator  
 "J2.4 Def Var Disp 2011"  
 of the 2011 OEB IRM Rate Generator

- a) What progress, if any, has Grimsby made to enable the implementation of a separate rate rider that would prospectively apply to non-RPP customers for the recovery of the global adjustment sub-account in 1588?

## 7. Ref: Deferral and Variance Model – E1.1 Threshold Test

### Threshold Test

Rate Class	Billed kWh B
Residential	91,178,360
General Service Less Than 50 kW	19,264,338
General Service 50 to 499 kW	67,099,441
Unmetered Scattered Load	395,386
Street Lighting	1,638,408
	<b>179,575,933</b>
<b>Total Claim</b>	<b>168,083</b>
<b>Total Claim per kWh</b>	<b>0.000936</b>

- a) Please provide rationale for requesting disposition of deferral and variance accounts when the threshold test of .001 has not been exceeded.